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Department of State TELEGRAM

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DRAFTED BY EA/K:PMAYHEW:CHG
APPROVED BY EA/K - MR O'DONOHUE
EB/IFD/OIA - MR STEBBING
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TO AMEMBASSY SEOUL

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [illegible] DATE 5/21/82
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STADIS//////////////////////

E.O. 11652: N/A
TAGS: EINV, KS
SUBJECT: OPIC INSURANCE AND DOW PROJECT
REF: STATE 030025

1. OPIC HAS INFORMED US THAT BECAUSE OF GLOBAL ECONOMIC CONDITIONS DOW CHEMICAL IS HOLDING OFF INITIAL INVESTMENT IN YOSU PETROCHEMICAL PROJECT. HOWEVER, DOW HAS TOLD OPIC THAT IT RETAINS GREAT INTEREST IN KOREA AND THAT MANAGEMENT MAY PRESENT INITIAL STAGES OF THE PROJECT TO BOARD OF DIRECTORS FOR APPROVAL IN JUNE.

2. ACCORDING TO OPIC, DOW HAS BEEN MOST INTERESTED IN SECURING OPIC COVERAGE OF TWO CAUSTIC CHLORIDE PLANTS WHICH WOULD BE WHOLLY DOW OWNED. BECAUSE OF PROBLEM OF EXPOSURE IN KOREA, OPIC HAS BEEN UNABLE MAKE ADVANCE COMMITMENT ON THESE PLANTS. IN GENERAL, OPIC WILL BE FLEXIBLE ON KOREAN EXPOSURE, ADJUSTING COVERAGE ON SOME LARGE PROJECTS AS FEASIBLE.FROM OPIC POINT OF VIEW TEMPORARY DELAY IN DOW PLANS DESIRABLE AS OPIC FORESEES EASING OF KOREAN EXPLOSURE PROBLEM IN COMING MONTHS.

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